



Town of Nantucket
Joint Meeting
(Select Board, Finance Committee, Planning Board)
www.nantucket-ma.gov

MINUTES

Thursday, March 10, 2022; 4:00 pm

This meeting was held via remote participation using ZOOM and YouTube.

Select Board called to order at 4:00 p.m. by Mr. Bridges

Planning Board called to order at 4:03 p.m. by Mr. Trudel

FinCom called to order at 4:03 p.m. by Ms. Kronau

Staff: Libby Gibson, Town Manager; Erika Mooney, Operations; Gregg Tivnan, Assistant Town Manager; Brian Turbitt, Director Finance; Rick Sears, Deputy Director Finance; Mariya Basheva, Financial Analyst; Leslie Snell, Deputy Planning Director; Megan Trudel, PLUS; Terry Norton, Town Minutes Taker

FinCom Members: Denice Kronau (Chair), Joseph T. Grause Jr., Joanna Roche, Peter Schaeffer, Chris Glowacki

Select Board: Jason Bridges (Chair), Dawn Hill Holdgate (Vice Chair), Matt Fee, Kristie Ferrantella, Melissa Murphy

Planning Board: John Trudel (Chair), Dave Iverson (Vice Chair), Nathaniel Lowell, Barry Rector,

Early Departure: John Trudel, 4:17 pm; Chris Glowacki, 4:17 pm; Joanna Roche, 4:17 pm.

Documents used: Warrant Articles for 2022 Annual Town Meeting (ATM).

I. ANNOUNCEMENTS

II. REVIEW FINAL 2022 ATM WARRANT WITH MOTIONS

1. Article 11 (Appropriation: Design of New Our Island Home (OIH) Facility)

Discussion **Grause** – The \$8.5m for design and Owner’s Project Manager (OPM), asked if anyone has a “sales pitch” prepared for voters at ATM. Given the pervious debate previously, it would behoove us to have a presentation ready.

Gibson – Working on a narrative and video; this is different from the last proposal with no land purchase and different operational model. The \$50m is based upon an elevated estimate from 2years ago for construction on the current site; we haven’t revisited that. There will be objections to the move; but the Select Board voted in 2021 that this is the best scenario. Brenda Johnson has been doing outreach on this and meeting with a variety of community groups.

Grause – He’s a supporter but he doesn’t think that the Town projects the benefits of projects like this.

Fee – He has concerns about the Town’s ability to operate OIH. He thinks we should be negotiating changes and including housing. Also, the demand is shifting. Asked how deeply the FinCom delved into those issues.

Kronau – We don’t do a referendum on a project; we looked at it as this is the funding needed to do a design. The OIH Workgroup should look at this. It’s up to the Town leadership to decide if the Town wants to continue managing OIH.

Murphy – She is a member of the OIH Workgroup, and we’ve discussed Mr. Fee’s concerns. The community has asked for a nursing home and these preliminary expenses are to get the ball rolling. Labor and housing issues are being addressed by other Town agencies. She thinks these are good investments. We cannot wait any longer on a new building; the current building is in disrepair and it’s time for action.

Lowell – Agrees with Ms. Murphy. The voters need assurance we know what we’re doing. Reusing that property for a better purpose is so positive that it makes the overall concept of

moving OIH easier to understand. The prior confusion of land swapping and buying bogged the issue down.

Schaeffer – He thinks Mr. Fee has a good point; housing needs to be a component of every project. Designing a structure of this size without housing being a component is wrong. You could convert space at the current OIH site for housing.

Gibson – Housing is a part of this; we’ll look at if housing can be accommodated at that site. The Town lease with Sherburne Commons allows for a facility of a certain size; going outside that requires further negotiation. If there’s room on the site to include employee housing, we will work that in. OIH employee housing and its location can be looked at under the Senior Center feasibility study.

Murphy – These projects are being looked at globally regarding impact with housing and how to support Town employees and finding affordable spaces to live.

Fee – These 3 groups on this call are the decision makers for the Town. FinCom is to investigate any expenditure of money and notify in writing whether or not the expenditure is justified.

Motion (made by:) (seconded)

Roll-call Vote Carried //

- 2. Article 39 (Bylaw: Short-term Rental Regulations)
- 3. Article 42 (Zoning Bylaw Amendment: Short-term Rentals)
- 4. Article 43 (Zoning Bylaw Amendment: Protective Rights to Short-term Rentals)

Recused John Trudel, Dawn Hill Holdgate, Melissa Murphy, Chris Glowacki

Discussion **Bridges** – He watched the FinCom reviews of Articles 39 and 42; the discussion on Article 39 (4:17) was very in depth. He was surprised at how fast they went through Article 42.

Kronau – The discussion on Article 42 was pretty straight forward; when partnered with Article 39, it works well in setting up parameters and eliminating risks for short-term rentals (STR).

Fee – He has a little concern about gathering data second; in the ideal situation data is gathered first and used to make a decision. He’s concerned are using the threat of litigation to move too fast. He looks at the increased commercialization as a threat to our year-round economy and year-round residents and eventually the Island. Looking at Colorado, their communities are an example of the detrimental effects on areas taken over by STRs. He leans toward a motion that puts this on hold until we have all the data. Once we allow STRs everywhere on Island by any entity, we won’t be able to dial back.

Iverson – It’s not clear to him what information Mr. Fee is looking for; he feels we have a lot of information. We know where they are and how many there are; he doesn’t know what other information we need. Article 42 codifies what is already happening; it’s the 1st step in regulation STRs. If we try to regulate STRs through Article 39, grandfathering doesn’t have the same bite as regulating through zoning.

Fee – He wants to know the trend over the last 3 years, since we started tracking.

Snell – Mr. Vorce did a lot of the research back to 2008 in the districts that tend to have more year-round residences; he found no change in the number of year-round dwelling units. She could send those numbers.

Iverson – He’s not discounting the need to preserve local neighborhoods; he sees that taking place in other avenues. Eliminating STRs is not the path.

Schaeffer – He’s been waiting for someone to tell him how limiting STRs increases year-round housing.

Bridges – He understands that we won’t gain more year-round housing, but we’ll stop losing year-round housing. The question is how many year-round units are sold and become STRs.

Roche – She doesn’t think they equal out; she shares all the concerns about STRs being a problem. Article 39 would be the regulation piece to makes a dent in the problem. We have to figure out the relationship between property purchases and the impact on the year-round housing stock. There are many places that limit STRs to 30 days, but people figure out how to

get around that rule. This is an attempt to do something to address the problem; she can't advocate doing nothing. Making Article 39 meaningful will be a benefit.

Ferrantella – There's no way to stop this unless you make Nantucket unattractive; as long as we have low taxes, people will want to invest in properties. Allowing STRs by right with regulations to figure out the impact.

Fee – He's worried about the future of areas we think of as year-round places; when they are carved up, they go for \$1m and \$1.5m – this isn't for year-round housing. He's worried about the "atta boy" letters we are getting from large corporations and that they will take aim at the real estate companies. He thinks there's a way to do it in a controlled fashion but the way we're headed is beginning to look like what happened on the Outer Banks.

Rector – STRs have been going on since the latter 1800s, and the Town was being marketed as the place to come for short term. Also, people have rights to do certain things and when you being to infringe upon those things, you have to carefully determine how you are going to get things done. Concrete data would be the saving grace of how to tackle the situation; a lot of what we're dealing with is conjecture and anecdotal data; it's extrapolated with no foundation. With Article 39, we try to get to a position to get a sense of what and where it's going on and what to do with that. Encourages supporting this.

Iverson – To him, doing nothing is the same as passing Article 42; all these uses are happening now. Article 39 gives us the structure to restrict STRs in the future. He was concerned about the breadth of how we can do that. He asked Town Counsel about what we could restrict; the answer was we can restrict land use through a Town Bylaw.

Ferrantella – She understands what Mr. Iverson is saying. However, not putting forth these Articles won't stop properties from being sold to become rentals. We need to have a conversation about housing and mortgage assistance.

Kronau – If we stopped all STRs on the Island tomorrow, the only people who could be here are people who can afford not to rent a house. You wouldn't need affordable housing because you wouldn't need 3/4th of the workforce. We have over \$17m in the warrant toward affordable housing; the Town is investing in affordable housing. There are only 66 properties for sale on last week's listing. Data is our friend. She believes Articles 42 and 39 will provide a framework allows us to go forward constructively.

Lowell – Ms. Ferrantella brought up the idea that a neighborhood association can make a decision about regulating STRs. We're trying to reset an issue upon which we've never had a conversation. Thinks a residential tax exemption for year-round rentals should be on next year's warrant; we need to encourage year-round rentals. This is a reset of the STR issue.

Bridges – We're trying to figure out how to increase the positive impacts on residents and what tools we are trying to create to accomplish that. He's seeing a thumbs-up on Article 39 but not so much on Article 42. Asked if all this can be done with just Article 39.

Rector – Asked if Ms. Snell could articulate Article 42 as had Mr. Vorce.

Snell – Article 42 codifies what's happening now allowing STR in any dwelling anywhere; it does make some reference to special permits in apartment buildings and employee housing. Article 43 is more limiting in that it would require a large segment of STR owners to go through the Zoning Board of Appeals (ZBA), the process of which is time consuming and becomes a burden on PLUS staff; would allow STR as an accessory use with residents allowed the use by right.

Iverson – Asked, if STRs are codified in our zoning, how STRs would be regulated. We as a community decided we didn't want resort hotels; this is the consequence of that.

Rector – The way Article 43 is structured, you would not only overload the ZBA but the Town could face a lot of litigation. It's very easy to VRBO and Airbnb are part of the reason a lot of STRs are taking place; he feels that is misdirected. What those models did was make plain rentals easy for the common person to market their rentals successfully.

Gibson – She, Mr. Vorce, Roberto Santamaria, and Town Counsel are charged with putting together an outline of what potential regulations would contain if just Article 39 is adopted; that will be in the packets.

Bridges – Asked what FinCom’s motion was for Article 43.

Kronau – It supported the Planning Board motion.

Motion No action taken

Roll-call Vote N/A

5. **Murphy** – In light of the Coastal Resiliency Workshop and that it’s not too late for technical amendments, we should consider putting in additional funds for some items discussed at the workshop, so we can advance the Coastal Resiliency Plan.

Adjournment:

1. Select Board:

Motion **Motion to adjourn at 5:03 pm.** (made by: Ferrantella) (seconded)

Roll-call vote Carried 5-0//Ferrantella, Hill Holdgate, Fee, and Bridges-aye

2. Planning Board:

Motion **Motion to adjourn at 5:03 pm.** (made by: Lowell) (seconded)

Roll-call vote Carried 3-0//Lowell, Rector, and Iverson-aye

Submitted by:

Terry L. Norton